

ANTI-CORRUPTION INITIATIVE

Statement

It is not anticipated that any signature gatherers will be paid for their services.

ANTI-CORRUPTION INITIATIVE

LONG TITLE

This initiative shall be known as the Anti-Corruption Initiative.

Initiative Statement:

Shall Utah Code be modified to prohibit the personal use of campaign donations by current office holders and political candidates?

General Description:

This initiative fixes the deficient provisions of the 2009 Senate Bill 162 and prohibits the personal use of campaign funds by office holders and candidates, not just former candidates or former office holders as was passed by the 2009 Utah legislature.

Highlighted Provisions:

This initiative prohibits the use of campaign funds by a current candidate or officeholder, or former candidate or officeholder, for a purpose that would result in recognition of the funds as taxable income under federal tax law.

Monies Appropriated in this Initiative:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-201, as last amended by Laws of Utah 2009, Chapter 227,361

20A-11-301, as last amended by Laws of Utah 2009, Chapter 227,361

20A-11-402, as last amended by Laws of Utah 2009, Chapter 227

20A-11-1301, as enacted by Laws of Utah 2009, Chapter 227,361

Intent Statement.

Current statutory language prohibits former officer holders and former candidates from using campaign donations for personal use. However there is no provision for current office holders or candidates from using campaign accounts for personal use. It is the intent of the People in enacting this initiative to amend statutory language to add current office holders and candidates to those prohibited from personal use of campaign donations.

Be it enacted by the People of the state of Utah:

Section **20A-11-201** is amended to read:

20A-11-201. State office candidate -- Separate bank account for campaign funds.

(1) (a) Each state office candidate or the candidate's personal campaign committee shall deposit each contribution and public service assistance received in one or more separate campaign accounts in a financial institution.

(b) The state office candidate or the candidate's personal campaign committee ~~may use the monies in those accounts only for political purposes~~ shall not use campaign funds for any use that does not directly benefit the political campaign of that candidate.

(2) A state office candidate or the candidate's personal campaign committee may not deposit or mingle any contributions received into a personal or business account.

(3) If a person who is no longer a state office candidate chooses not to expend the monies remaining in [his] a campaign account, the person shall continue to file the year-end summary report required by Section 20A-11-203 until the statement of dissolution and final summary report required by Section 20A-11-205 are filed with the lieutenant governor.

(4) ~~(a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person who is no longer a~~ A state office candidate or former state office candidate, may not expend or transfer the monies in a campaign account in a manner that would cause the ~~former~~ state office candidate or former state office candidate to recognize the monies as taxable income under federal tax law.

~~(b) A person who is no longer a state office candidate may transfer the monies in a campaign account in a manner that would cause the former state office candidate to recognize the monies as taxable income under federal tax law if the transfer is made to a campaign account for federal office.~~

Section 2. Section **20A-11-301** is amended to read:

20A-11-301. Legislative office candidate -- Campaign requirements.

(1) Each legislative office candidate shall deposit each contribution and public service assistance received in one or more separate accounts in a financial institution that are dedicated only to that purpose.

(2) A legislative office candidate may not deposit or mingle any contributions or public service assistance received into a personal or business account.

(3) A legislative office candidate ~~may not make any political expenditures prohibited by law~~ shall not use campaign funds for any use that does not directly benefit the political campaign of that person.

(4) If a person who is no longer a legislative candidate chooses not to expend the monies remaining in a campaign account, the person shall continue to file the year-end summary

report required by Section 20A-11-302 until the statement of dissolution and final summary report required by Section 20A-11-304 are filed with the lieutenant governor.

(5) ~~(a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a~~ A person who is ~~no longer a legislative office candidate or former legislative candidate,~~ may not expend or transfer the monies in a campaign account in a manner that would cause the ~~former legislative office candidate or former legislative office candidate~~ to recognize the monies as taxable income under federal tax law.

~~(b) A person who is no longer a legislative office candidate may transfer the monies in a campaign account in a manner that would cause the former legislative office candidate to recognize the monies as taxable income under federal tax law if the transfer is made to a campaign account for federal office.~~

Section 3. Section **20A-11-402** is amended to read:

20A-11-402. Officeholder financial reporting requirements -- Termination of duty to report.

(1) An officeholder is active and subject to reporting requirements until the officeholder has filed a statement of dissolution with the lieutenant governor stating that:

(a) the officeholder is no longer receiving contributions or public service assistance and is no longer making expenditures;

(b) the ending balance on the last summary report filed is zero and the balance in the separate bank account required by Sections 20A-11-201 and 20A-11-301 is zero; and

(c) a final summary report in the form required by Section 20A-11-401 showing a zero balance is attached to the statement of dissolution.

(2) A statement of dissolution and a final summary report may be filed at any time.

(3) Each officeholder or former office holder shall continue to file the year-end summary report required by Section 20A-11-401 until the statement of dissolution and final summary report required by this section are filed with the lieutenant governor.

(4) ~~(a) Except as provided in Subsection (4)(b), a~~ An person who is no longer an officeholder or former office holder, may not expend or transfer the monies in a campaign account in a manner that would cause the ~~former officeholder or former office holder~~ to recognize the monies as taxable income under federal tax law.

~~(b) A person who is no longer an officeholder may transfer the monies in a campaign account in a manner that would cause the former officeholder to recognize the monies as taxable income under federal tax law if the transfer is made to a campaign account for federal office.~~

(5) An officeholder shall not use campaign funds for any use that does not directly benefit the political campaign of that person.

Section 4. Section 20A-11-1301 is amended to read:

20A-11-1301. School board office candidate -- Campaign requirements.

(1) Each school board office candidate shall deposit each contribution and public service assistance received in one or more separate accounts in a financial institution that are dedicated only to that purpose.

(2) A school board office candidate may not deposit or mingle any contributions or public service assistance received into a personal or business account.

(3) A school board office candidate ~~may not make any political expenditures prohibited by law~~ shall not use campaign funds for any use that does not directly benefit the political campaign of that person.

(4) If a person who is no longer a school board candidate chooses not to expend the monies remaining in [his] a campaign account, the person shall continue to file the year-

end summary report required by Section 20A-11-1302 until the statement of dissolution and final summary report required by Section 20A-11-1304 are filed with:

(a) the lieutenant governor in the case of a state school board candidate; and

(b) the county clerk, in the case of a local school board candidate.

(5) ~~(a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a~~ A person who is ~~no longer~~ a school board candidate or former school board candidate, may not expend or transfer the monies in a campaign account in a manner that would cause the ~~former~~ school board candidate or former school board candidate to recognize the monies as taxable income under federal tax law.

~~(b) A person who is no longer a school board candidate may transfer the monies in a campaign account in a manner that would cause the former school board candidate to recognize the monies as taxable income under federal tax law if the transfer is made to a campaign account for federal office.~~